FUN FLIGHTS:
DEVELOPING BENEFITS THROUGH SOCIAL INTEGRATION

By
MEGAN TIGHE MIGNELLA

A Thesis Submitted to The Honors College
In Partial Fulfillment of the Bachelors degree
With Honors in
Entrepreneurship
THE UNIVERSITY OF ARIZONA
May 2010

Approved by:

_____________________________
Sherry Hoskinson
McGuire Center for Entrepreneurship
Abstract
Fun Flights is innovative in the sense that it not only offers “something more” when flying, but is accompanied by a unique seating and booking model. Zempty, the booking software, provides an alternative value when compared to the competition of other social network and travel booking websites. By offering the secondary value of psychological and physiological benefits from social integration, Zempty will attract early adopters of innovative products. Although more flights are considered an ecological trade-off, the solution of bringing people together (and out of isolation) will definitely provide benefits.

For the alternative value of Fun Flights to be realized, it will take a significant amount of leadership to ensure the software is being utilized to its full potential. Essentially, leadership will have to make certain that travelers are using the software to connect and communicate with similar people, and not just booking a flight. This will certainly take an innovative and motivated leadership team, as well as a creative strategy. It is also important to see through the connectivity aspect created by the social networking software to the environment created on the flights. Zempty is positioned to give users a sense of belongingness through our social network. Through connectivity and interaction, Fun Flights’ customers will feel a sense of social integration, which has proven relevant for the promotion of psychological and physiological well-being.

Group Roles
Through Eller’s McGuire Center for Entrepreneurship, I was a member of a venture team for the entire year. As a team of four, we each worked closely as a group and also with our mentor Bob Morrison on a dedicated, weekly basis. Fun Flights is managed by General Manager Megan Mignella, Marketing Manager Rachel Kelly, Financial Manager James Grout, and Operations Manager Ry Ellison. The management team is currently acting as its four sole members with an equal member ownership. Although this thesis was produced on an individual basis, below is a description of our group roles throughout the past year.

Each member equally contributed to the creation and development of Fun Flights, but in different roles. The General Manager oversaw all other members, scheduled meeting times, created and edited presentations and business plans, and helped out where else was necessary. This was my role; I dedicated a significant amount of time to the completion of our business plan and investor presentations throughout the semester by creating, editing, revising, and finalizing our assignments. As well, I completed all deliverables due during the first semester and took charge with the remaining assignments throughout the second semester.

The Marketing Manager was in charge of market research, defining our customer and target markets, as well as creating our market strategy. The Financial Manager was in charge of all financial data, setting prices, and creating the Zempty algorithm. The Operations Manager was in charge of logistical, technological requirements and developments. Overall, this team had excellent synergy and worked well to produce a high quality business plan and investor pitch by the end of the semester.
**Introduction**

Fun Flights is a luxury based, charter flight brokerage agency that offers themed flights with on-board entertainment to premiere vacation destinations. This venture is classified as a luxury service, mainly because it gives leisure travelers, who are traveling for vacation purposes, a personalized and customized experience while they fly. The most innovative part of this venture is the unique tool provided by our booking software, Zempty. Short for “zero empty,” Zempty is the first part of our venture that users will encounter – travelers will log onto our website and be exposed to Zempty as an instrument used to book and pay for their flight, just like an Expedia or Travelocity online travel website. The most unique part about Zempty is that it includes a social network, exclusive to leisure travelers who are planning on booking a Fun Flight. Users will go to our website, join or log onto the social network, create a simple and free profile, book their flight and then invite their friends and families to the same flight. There is an incentive here – when users invite others and start to fill the seats, the price of each ticket (per seat) will decrease. The primary value of this tool is that Fun Flights will essentially turn customers into a sales force – we are encouraging them to fill the seats on their own flight by incentivizing them with a refund on their individual ticket price. The software aspect of our venture is what this summary will focus on.

Fun Flights is in no way an eco-entrepreneurship based venture. Fun Flights has been developed with the primary, experiential benefit of providing travelers with a luxury, charter-flight, and personalized experience. Although this is the benefit provided by the flight aspect of our venture, there is one main trade-off that stems specifically from the flights – more planes in the air means more carbon monoxide, which in the long run, unfortunately, is more detrimental than beneficial for the environment. Looking at it from a different angle, however, by comparing our small, charter jets to large, commercial planes, we will actually be releasing less fuel because of the smaller size of the jets that will be initially used. Even as our venture reaches operational capacity with flights, we will most likely still be less environmentally harmful than commercial airlines. As well, the software Zempty, again developed as a companion website for the booking of our flights, is also centered around the primary,
experiential benefit of a luxury and personalized service. Zempty will be fully developed and functionalized by 2012. Fortunately, the only trade-off that Zempty holds is that it potentially will increase the number of users on the Internet, but there is no harmful effect on the environment.

Since the primary benefit and value of this software (and the venture overall) is to provide travelers with a unique, luxury experience, this summary will focus on the secondary benefit provided by the Zempty tool. The alternate value that comes into play here is that Zempty not only compels users to form online relationships, but users are obligated to form offline acquaintanceships and friendships when people come together and meet for the flight. Users are even able to reunite with distant family and relations in both an online and offline sense. Zempty has the secondary, experiential benefit of offering users of the network to make new social ties, increase their social capital, and gain from the positive benefits associated with actual social integration. The end-users’ lives will be effected in this way in a non-monetary, experiential way that comes from the concept of a greater sense of community.

**Social Networks**

In order to fully understand and analyze the alternate value of Zempty, it is important to first examine the objectives, capabilities, and values created by existing social networks. Social network sites, or SNSs, “allow individuals to present themselves, articulate their social networks, and establish or maintain connection with others” (The Benefits of Facebook). Their multiple purposes range from work related networks, to romantic relationship initiation, to student populations; but, most importantly, their ability to connect those with shared interest, exactly what Zempty will be doing. This is where the psychological and other health benefits stem from, the connectivity feature. These will be discussed further in the summary.

SNSs allow for a nonexclusive, online connection. According to “The Benefits of Facebook ‘Friends,’” nearly “1/3 of respondents [to a specific study] later met their online correspondents face to face.” This is an extremely important finding because it validates the fact that only a
minority percentage of people actually take their online relationship to the next level by initiating an offline relationship – something that Zempty will fully see through. Although only 1/3 of respondents for this specific study initiated offline relationships, it is promising that “these findings imply that relationships that begin online rarely stay there.”

Fun Flights’ unique Zempty software aims to create an environment where the online social network encourages travelers to form offline relationships. By bringing other people onto their same flight, a valuable ultimate situation is created. All of the people who booked the same flight will not only meet and come together for their flight, but will spend time as a group in a physical, non-intimate way. Fun Flights is aiming to bridge relationships that are created through the online community and bring them into an offline, real life setting – our flights – in order to increase users’ social capital. Zempty, working as the online instrument for Fun Flights, aims to facilitate new connections, provide people with an alternative way to connect based on shared interests, and build and maintain their social capital.

Secondary, experiential, alternate value

A general definition of social capital is that it is a broad category of resources accumulated through relationships among people. Since social capital has been linked to psychological well being and other health benefits, this is where the alternate value takes place. According to American Psychologist, possessing social capital as a society has been linked to a variety of positive community outcomes. In general, communities with members who possess significant social capital benefit from increased public health, lower crime rates, and efficient financial markets. As well, they experience increased levels of commitment and a greater ability to mobilize in a collective manner. Over the past few years, especially after September 11, 2001, there has been a decline in the amount of social capital in the United States. Many communities have experienced social disorder, distrust, and an overall reduced participation in civic activities. This means that Zempty’s secondary benefits are not only experiential, but have the potential to provide societal benefits as well. By looking at social network sites’ abilities to increase an individual’s (and potentially society’s) amount of social capital, we can position
Zempty similar to the objective of Facebook. However, Zempty will have more capabilities and alternate, experiential value. Even though Facebook is a tool to connect people online, users must initiate meeting in face to face time. This is where Zempty gains an alternate competitive advantage; it has more valuable capabilities when it comes to truly connecting people.

Zempty’s alternate value is based on evidence that social integration promotes positive psychological states. Social integration is defined as “participation in a broad range of social relationships” (American Psychologist). There are multiple dimensions of social integration; they range from intimate and very personal relationships such as marriages and romantics, to acquaintanceships, old friendships, and current friendships. The most relevant theory to the position of Zempty as a social network that provides integration is the “main effect model.” This theory, opposite of the stress buffering model, shows that social connectedness and integration is beneficial irrespective of whether one is under stress (American Psychologist). Social integration, through this model, “promotes positive psychological states, such as identity, purpose, self-worth, and positive effect that induce health-promoting physiological responses” (Mechanisms, American Psychologist). This is the model that the experiential benefit of Zempty stems from. Fun Flights is not targeting people who are under mental or emotional stress, but rather, is targeting people who are looking for a new experience and a group setting. The main effect model proves that even if the users of our website are not under stress that they will benefit from the social connectedness provided by Fun Flights.

Social connectedness, integration, and acquisition of capital are thought to also positively influence one’s overall confidence and satisfaction with life. As well, people who are open to making new social connections experience more cheerful emotions; meaning they will put more emphasis on their optimistic feelings as opposed to pessimistic feelings. Zempty will support the optimistic side of life, bringing people together in a happy, exciting way. According to American Psychologist, social integration allows individuals to gain a sense of “identity, predictability and stability; of purpose; and of meaning, belonging, security, and self-worth...helping limit the intensity and negative affective states.” Fun Flights will give users the
opportunity to interact with many other users through our network, ultimately providing an outlet to impart positive physiological health effects.

In 1979, a study was done by Berkman and Syme with residents of Alameda County, California, that drew attention to social integration as a predictor of physical health. As shown by the graph below, healthy adults with the most social connections, meaning the most socially integrated, were more likely to still be living at the nine-year follow up period after the study started.

According to the journal American Psychologist, “the association between social integration and mortality has since been replicated in over a dozen prospective community-based studies...other studies have found that greater [social] integration survival from heart attacks, less risk for cancer recurrence, less depression and anxiety, and less severe cognitive decline with aging.” This clearly proves that the secondary, experiential benefit of Zempty’s ability to connect people in a socially integrated way is eventually beneficial to psychological and physical health; more importantly, an increased amount of social integration is associated with lower rates of mortality. As well, according to the New York Academy of Medicine, social isolation and loss of social ties during the last segment of one’s life course are “among the most potent predictors of depressive symptoms among the elderly” (Journal of Urban Health). This opens
an entirely new opportunity; Fun Flights could extend our product lines to include elderly or retired groups of people to age-appropriate destinations.

*Facebook: An Industry Benchmark*

It is just as important to note benchmark companies when examining the alternate value of Fun Flights’ social network. Facebook is classified as an industry benchmark because although it has the objective of bring people together via its social network, it does it with different components and purposes than the Zempty network. Facebook provides a certain visibility to relationships and connections made through their network. With complex and sophisticated features such as the “Wall,” photo options, fan pages and groups, Facebook has established itself as the most popular social network among college students. Currently, Zempty is not positioned to compete with Facebook with regards to complex and well-known features, but will include simple and easy to use profiles that are practical for people of all ages.

The authors of this article conducted a study that examined the social capital gained through Facebook “friends,” as well as the maintenance of that social capital with the help of Facebook. This study was compiled of a group of 300 college students from Michigan State University, and these users believed that the primary audience for their Facebook profiles was people with whom they shared an offline connection. It was shown that Facebook use is positively associated with greater social capital, ties, and network interaction. The students in this study indicated that Facebook helped them maintain existing offline relationships, which was confirmed in this study. As well, it was proven that the students’ temporary “acquaintanceships” grew and were essentially solidified through the interaction that took place of Facebook – exactly what Zempty aims to do. Zempty will not only allow travelers to maintain offline relationships, but also allow them to form new online relationships that will actually be seen through to become offline relationships, whether they turn into acquaintanceships or friendships. This study also shows how SNSs “help maintain relations as people move from one offline community to another,” meaning through various stages of life, education, and geography. These connections not only provide positive correlations to health
and overall happiness, but also carry “strong payoffs in terms of jobs, internships, and other opportunities” (The Benefits of Facebook).

Looking at Facebook as an industry benchmark company, Zempty will not only provide an outlet to become connected to people online, but compels them to connect offline, something that Facebook does not offer. Overall, this study proved that there is a “positive relationship between certain kinds of Facebook use and maintenance and creation of social capital” (Benefits of Facebook). Social networks, when used as a support tool for social integration and connectivity, create alternate, experiential value through their objective of bringing people together in some way. This is where the competitive advantage of Fun Flights comes from. With our free and easy-to-use social network, we will provide the base for relationships to form, like Facebook does, but we will also drive users to create offline relationships with other travelers on their flight. This is extremely advantageous because we are not giving users a choice in their end meeting, essentially compelling them to receive the benefits of social integration discussed previously. Zempty is positioned as a tool to direct travelers to booking our flights, where the meeting, interacting, and bonding will take place.

Cruise Lines: A Technological Benchmark

One of the main purposes of cruise lines is to provide a fun vacation for its cruisers. The most interesting part about this is that they also carry a secondary benefit of bringing people together, and allowing them to interact in multiple ways. Cruise lines, such as Princess and Carnival, have daily activities that are open to all cruisers, and that encourage you to interact with the others on the cruise. As well, they have an interesting set up for their formal dining experience – tables are large, usually six to twelve seats, and cruisers are randomly assigned by room to which table they sit at. This random seating strategy actually encourages people to enjoy their meal with new people they haven’t met yet. By bringing people together, in person, and in a somewhat enclosed environment, cruise lines provide some of the same benefits from social integration as Zempty, just in a completely different way.
Product Diffusion Curve

The model of bringing people face to face is novel within the industry of not only social networking, but also within the travel industry. Facebook was the pioneer of social networking as we know it today, but sites like Eharmony.com and Match.com are also innovative for this reason, although with more emphasis of forming actual romantic relationships. The alternate value of Zempty is positioned to market to early adopters. The idea of compelling people to come together and socially integrate will probably be most enjoyed by early adopters on the product diffusion curve. Its unique benefits are something that customers will need to become accustomed to, especially after others have had positive experiences with it.

Conclusion

Fun Flights is innovative in the sense that it not only offers “something more” when flying, but is accompanied by a unique seating and booking model. Zempty, the booking software, provides an alternative value when compared to the competition of other social network and travel booking websites. By offering the secondary value of psychological and physiological benefits from social integration, Zempty will attract early adopters of innovative products.

Although more flights are considered an ecological trade-off, the solution of bringing people together (and out of isolation) will definitely provide benefits.

For the alternative value of Fun Flights to be realized, it will take a significant amount of leadership to ensure the software is being utilized to its full potential. Essentially, leadership will have to make certain that travelers are using the software to connect and communicate with similar people, and not just booking a flight. This will certainly take an innovative and motivated leadership team, as well as a creative strategy. It is also important to see through the connectivity aspect created by the social networking software to the environment created on the flights. Zempty is positioned to give users a sense of belongingness through our social network. Through connectivity and interaction, Fun Flights’ customers will feel a sense of social integration, which has proven relevant for the promotion of psychological and physiological well-being.
REFERENCES


